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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)

Amendment of Part 90 of the)
Commission's Rules to Facilitate)
Future Development of SMR Systems)
in the 800 MHz Frequency Band)

PR Docket No. 93-144 ✓
RM-8117, RM-8030

Implementation of Sections 3(n) and 332)
of the Communications Act)
Regulatory Treatment of Mobile Services)

GN Docket No. 93-252

Implementation of Section 309(j))
of the Communications Act -)
Competitive Bidding)
800 MHz SMR)

PP Docket No. 93-253

To: The Commission

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PETITION FOR PARTIAL RECONSIDERATION AND CLARIFICATION
OF NEXTEL COMMUNICATIONS, INC.

NEXTEL COMMUNICATIONS, INC.

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SUMMARY

In the First Report and Order ("First R&O") in this proceeding, the Federal Communications Commission ("Commission") adopted new geographic-area licensing rules for Specialized Mobile Radio ("SMR") systems on the upper 200 SMR channels. Nextel Communications, Inc. ("Nextel") supports the Commission's conclusion that, pursuant to the Omnibus Budget Reconciliation Act of 1993 ("Budget Act"), SMRs are entitled to regulatory parity with other Commercial Mobile Radio Service ("CMRS") providers, including (1) the opportunity to obtain all 200 upper SMR channels on an Economic Area ("EA") basis, and (2) the right to mandate the retuning/relocation of incumbents therein. When coupled with the consensus proposal recently proffered by a diverse group of SMR participants in response to the Second Further Notice Of Proposed Rule Making in this proceeding, the First R&O addresses the Congressional mandate for regulatory parity, and provides a balanced, equitable approach to future licensing and operation of all types of SMR systems.

Nextel supports the Commission's conclusion that it has the legal authority to auction EA licenses on the upper 200 SMR channels from among mutually exclusive applications and to require mandatory retuning/relocation of incumbents. Both decisions are legally supportable and in the public interest because they will enhance competition in the CMRS marketplace. Moreover, the record supports the Commission's decisions to permit aggregation of all three blocks; to not establish an entrepreneur's block in the upper 200 channels; to permit pre-auction negotiations that would ease

the transition to wide-area licensing after the auction; and to impose strict construction/coverage requirements on wide-area licensees.

While generally supporting the First R&O, Nextel seeks reconsideration or clarification of the following specific points:

- (1) modification of the auction rules to eliminate the absolute minimum on the bid increment rule and to eliminate installment payment plan options;
- (2) modification of the pre-auction settlement process to ensure that all negotiations result in movement of incumbents out of the upper 200 channels and that "potential EA applicants" eligible to enter into pre-auction settlements be limited to incumbent SMR licensees;
- (3) assurance that EA licensees in the upper 200 channels are required to cooperate in the retuning/relocation process so that a single EA licensee is not able to block or delay the retuning/relocation process of an incumbent with channels in multiple EAs and/or EA blocks;
- (4) clarification that the 90-day retuning notice requirement is satisfied by notifying SMR licensees in the Commission's database, according to the addresses included therein;
- (5) reduction in the mandatory negotiation period to one year to ensure rapid development and deployment of new SMR services;
- (6) clarification that an incumbent may only modify a station or stations within the 22 dBu interference contour on a channel-by-channel basis, and not by "dragging" channels on an aggregate 22 dBu interference contour basis; and
- (7) clarification of the evidentiary requirements for establishing that continued extended implementation authority is warranted and in the public interest.

Since the adoption of the Budget Act, the Commission has been working toward the creation of regulatory parity for all CMRS providers. This included the monumental task of providing licensing parity for SMR licensees who have historically been

licensed on a site-by-site basis while cellular and Personal Communications Services have been licensed on a wide-area geographic basis. The First R&O is the culmination of the Commission's Herculean efforts to achieve the Budget Act objectives. Its resulting rules are fair, fully supported by the record, pro-competitive, and in the public interest.

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To: The Commission

**PETITION FOR PARTIAL RECONSIDERATION AND CLARIFICATION
OF NEXTEL COMMUNICATIONS, INC.**

I. INTRODUCTION

Pursuant to Section 1.429 of the Rules of the Federal Communications Commission ("Commission"), Nextel Communications, Inc. ("Nextel") respectfully submits this Petition For Partial Reconsideration and Clarification ("Petition") of the Commission's First Report and Order and Eighth Report and Order ("First R&O") in the above-captioned docket.^{1/}

The First R&O established a new licensing method for Specialized Mobile Radio ("SMR") services operating or intending to

^{1/} First Report and Order, Eighth Report and Order, and Second Further Notice Of Proposed Rule Making, PR Docket No. 93-144, et al., FCC 95-501, released December 15, 1995.

operate on the upper 200 channels of the 800 MHz SMR spectrum allocation. The Commission will license the upper 200 channels on a Bureau of Economic Affairs "Economic Area" ("EA") basis in 120-channel, 60-channel and 20-channel blocks using competitive bidding to select among mutually exclusive applicants. The Commission further concluded that mandatory relocation/retuning is "essential to implement a wide-area licensing scheme in the mature 800 MHz SMR industry,"^{2/} and to create exclusive-use, contiguous spectrum assignments. The First R&O authorizes the mandatory relocation/retuning of incumbents in the upper 200 channels that do not retune/relocate pursuant to a voluntary agreement with the EA licensee.

While a single 200-channel block on a Major Trading Area basis would be the optimum licensing plan for the upper 200 channels, Nextel supports the Commission's actions. They make possible significant gains in attaining regulatory parity for SMR providers vis-a-vis their CMRS competitors. As the Commission recognized in the First R&O, these new rules are indispensable to the competitiveness of SMRs because "the current licensing scheme would not allow the expeditious implementation of wide-area systems utilizing contiguous spectrum, because 800 MHz channels presently are not distributed on a contiguous basis."^{3/} The new rules, moreover, do not "benefit any particular entity, but [] provide

^{2/} First R&O at para. 73.

^{3/} *Id.* at para. 14.

opportunities for a variety of licensees. . .^{4/} Such opportunities should be further enhanced by coupling upper 200 channel EA licensing with the SMR industry's consensus proposal for future licensing of the lower 80 SMR channels and 150 former General Category channels.^{5/}

The First R&O addresses Congress' mandate in the Omnibus Budget Reconciliation Act of 1993 ("Budget Act") that the Commission create regulatory parity for all Commercial Mobile Radio Services ("CMRS") providers in order to promote competition.^{6/} It ensures that competitive advantages are determined in the telecommunications marketplace rather than by regulatory obstacles or benefits.

^{4/} *Id.*

^{5/} See Comments of Nextel, Comments of SMR WON, and Comments of the American Mobile Telecommunications Association ("AMTA"), filed in PR Docket No. 93-144, on February 15, 1996, in response to the Commission's Second Further Notice of Proposed Rule Making ("Second FNPRM") in this docket. See also Joint Reply Comments of SMR WON, AMTA and Nextel, filed March 1, 1996 ("Joint Reply").

The Second NPRM sought comment on the Commission's proposal to auction the lower 80 and the 150 former General Category channels. SMR WON, AMTA and Nextel, three commenters initially at odds over the future licensing of SMRs, jointly proposed a method for settling the lower channels among incumbents prior to auctioning them in channel blocks of various sizes. Each of these commenters fully believes that, when coupled with their proposed settlement process, the Commission's general auction and mandatory relocation/retuning rules for the upper channels will offer all SMR participants a fair and equitable opportunity for continued operation and growth in the SMR industry.

^{6/} Omnibus Budget Reconciliation Act of 1993, Pub. L. No. 103-66, Title VI Section 6002(b), 107 Stat. 312, 392 (1993). Completion of the Second FNPRM in this proceeding, as proposed in the Joint Reply, will fulfill this mandate.

Nextel is filing this Petition to seek clarification of certain aspects of the rules adopted in the First R&O and to seek reconsideration of a few issues pertaining to incumbent retuning/relocation. Notwithstanding these few issues, the Commission should uphold its overall decision to license the upper 200 channels on a geographic basis using auctions and to mandate the relocation/retuning of incumbents operating therein. These actions are fully supported by the record, are in the public interest, and are essential to fulfilling the Commission's regulatory parity mandate in the Budget Act.

II. DISCUSSION

A. LICENSING OF THE UPPER 200 CHANNELS

1. Aggregation of EA Blocks

As stated above, Nextel supports the Commission's decisions in the First R&O because they help to provide SMR operators regulatory parity with similar CMRS services. The decision to license SMRs on a geographic-area basis, coupled with mandatory relocation/retuning of unaffiliated incumbents, offers SMRs the opportunity to obtain exclusive use spectrum similar to that assigned to cellular and Personal Communications Services ("PCS") providers.

Crucial to achieving regulatory parity, moreover, is the Commission's decision to permit a single licensee unlimited spectrum aggregation on the upper 200 SMR channels.^{7/} The Commission noted the continued spectrum advantage cellular and PCS licensees have over SMR operators. Even if an SMR operator

^{7/} First R&O at para. 43.

aggregates all 200 channels in a market, it would still operate on only 10 MHz of spectrum, compared to the 25 MHz of cellular and 30 MHz of some PCS licensees. Moreover, an SMR licensee's spectrum concentration is already subject to the Commission's overall CMRS spectrum aggregation limitation. Thus, "reiterating [its] view that the 800 MHz SMR service is just one of many competitive services within the larger CMRS marketplace," the Commission properly concluded that any further limitation is not necessary or appropriate.^{8/}

2. EA Licensing and Channel Blocks

Nextel does not challenge the Commission's compromise decision to auction the upper 200 channels in a 20-channel block, a 60-channel block and a 120-channel block per EA. The block plan recognizes that certain types of broadband technology cannot be employed on the 2.5 MHz (50-channel) blocks initially proposed by the Commission.^{9/} Permitting unrestricted aggregation of the blocks in a market meets the needs of wide-area providers planning to use innovative broadband technologies to compete with other CMRS providers.

Nextel supports the Commission's decision to place the 20-channel block at the lower end of the 200 channels -- nearest the lower SMR channels -- and the 120-channel block at the upper end of the spectrum -- nearest the cellular allocation. As the Commission recognized, the 20-channel block will be adjacent to many smaller

^{8/} *Id.*

^{9/} *Id.* at para. 37.

operators, thereby enhancing the value of the 20-channel block for expansion of their systems.^{10/} Locating the 120-channel block near the cellular spectrum allocation could, as the Commission suggests, "facilitate dual mode operation, which is of interest to some licensees seeking to provide wide-area service through use of a large number of channels."^{11/} The upper 200 channel allocation plan will increase the flexibility of the spectrum, enhance its value for different prospective licensees, and thereby encourage the implementation of a broader range of potential new services.

3. Auction Authority

The Commission is authorized, under Section 309(j) of the Communications Act of 1934,^{12/} to select among mutually exclusive EA license applicants by competitive bidding.^{13/} The upper 200 channel EA licenses will be initial licenses for SMR services provided to subscribers for compensation. In the Budget Act, Congress specifically excluded from competitive bidding only the following: unlicensed services, license applications that are not mutually exclusive, and license renewal and modification applications.^{14/} Thus, the Commission can use auctions to

^{10/} *Id.*

^{11/} *Id.*

^{12/} 47 U.S.C. Section 151, *et seq.*

^{13/} First R&O at para. 149.

^{14/} H.R. Rep. No. 103-111, 103rd Cong. 1st Sess. 253 (1993).

select upper 200 channel EA licensees from among mutually exclusive applicants.

4. Rules for the Upper 200 Channel Auctions

The Commission correctly decided not to set aside an entrepreneur's block in the upper 200 channels.^{15/} As the Commission recognized, an entrepreneur's block is not feasible in light of the substantial number of licensees already operating on the upper 200 channels.^{16/} These channels were initially licensed on an up-to-20-channel basis with exclusive use. This is in contrast to the single-channel, shared-use licensing of the General Category channels and the limited five-channel grants on the lower 80 SMR channels. The Coalition EA settlement plan for the lower 80 and 150 former General Category channels, in combination with the upper 200 channel licensing rules and policies adopted in the First R&O, provide a balanced, equitable approach to future licensing and operation of all types of SMR systems.^{17/}

Nextel generally supports the Commission's upper 200 channel auction rules e.g., simultaneous multiple round auctions and simultaneous stopping rules. The Commission should, however,

^{15/} First R&O at para. 256.

^{16/} *Id.*

^{17/} See footnote 5 and accompanying text, *supra*. With regard to the reclassification of the General Category channels as SMR channels, the Commission acted appropriately. The General Category channels are already extensively licensed to SMRs, and the demand for SMR spectrum continues to increase. Because these channels are necessary to the continued development of SMR services in response to increased consumer demand, the Commission properly concluded that they should be prospectively licensed only to SMRs.

evaluate its experiences in the PCS and 900 MHz auctions and amend its rules to correct anomalies that have become apparent therein. Nextel proposes two specific changes: (1) eliminate the absolute minimum on the minimum bid increment rule; and (2) eliminate the use of installment payment plans for small businesses.

Nextel supports a minimum bid increment for the upper 200 channel EA auctions; however, the current rule is too extreme. Rather than basing the increment solely on the previous round's bid, the Commission ties to it an absolute minimum: five percent of the previous round's bid or \$.02 per MHz-pop, whichever is greater. This establishes an artificial minimum value for every license, rather than allowing the marketplace to determine their value. Nextel supports a five percent minimum bid increment because it will ensure active participation by bidders without requiring a disparate increase from one round to the next if the marketplace has determined that a particular license is not valued at the Commission's minimum bid level.

The Commission also should not permit small business EA winners to pay their winning bids in installment payments in the upper 200 channel auction. In previous auctions, the availability of delayed payments or installment payments has only encouraged speculation and warehousing. Immediate investment in the license, on the other hand, encourages technological innovation, system development and diverse service offerings.

5. Pre-Auction Negotiations

The Commission's decision to partially lift its current upper 200 channel licensing freeze to permit license transfers and channel swaps from the upper 200 channels to the lower channels will benefit the transition to geographic area licensing and facilitate the retuning/relocation process.^{18/} Partially lifting the freeze for license modifications and transfers to effectuate such actions could facilitate the clearing of the upper 200 channels and thereby ease the transition from site-by-site licensing to wide-area licensing. Two points regarding the pre-auction negotiation process require clarification: (1) the Commission must limit negotiations to transfers of incumbents out of the upper 200 channels; and (2) it must define "potential EA applicant" to include only incumbent 800 MHz SMR licensees.

Although the Commission recognized the need to limit these settlements to movement out of the upper 200 channels, Nextel emphasizes the importance of this limitation.^{19/} Allowing incumbents to be moved around within the upper 200 channels, from block-to-block, could be used by "potential EA applicants" for anti-competitive purposes. The Commission should expressly prohibit any transfers of licenses within the upper 200 channels prior to the auction.

Nextel also requests clarification of the definition of "potential EA applicant." The Commission states that it will

^{18/} See First R&O at paras. 75-76.

^{19/} *Id.* at para. 76.

"encourage potential EA applicants to enter into negotiations with incumbents," but does not define nor specify the qualifications of a "potential EA applicant."20/ Given the open eligibility of the upper 200 channel auctions, the scope of this term should be limited to existing licensees on the top 200 channels or the lower 80 and 150. Without these parameters, anyone could attempt to negotiate with incumbents and have the Commission's licensing freeze lifted -- regardless of their eligibility for or intent to bid in the auctions.

B. MANDATORY RELOCATION ISSUES

Nextel reiterates its support for the Commission's decision to mandate relocation/retuning of incumbents. The marketplace alone would not provide the clear, contiguous, exclusive-use spectrum for SMRs that is required by the Commission's regulatory parity mandate. As the Commission stated in the First R&O, there could be no "smooth and equitable transition to the new licensing framework" without mandatory relocation/retuning.21/

20/ See First R&O at para. 75. There is no guidance provided in the text of the First R&O, and there is nothing in the definitions section of Appendix A, Section 90.7 that provides any criteria for "potential EA applicants."

21/ First R&O at para. 73. See also *Association of Public-Safety Communications Officials-International, Inc. v. Federal Communications Commission*, No. 95-1104, decided February 16, 1996 (D.C. Circuit) (the "APCO decision"). In the APCO decision, the Court affirmed the Commission's conclusion that relocation of public safety users by PCS licensees is in the public interest. Retuning non-EA licensees/incumbents at the expense of the EA licensee on a "make whole" basis is encompassed by the findings, conclusions and rationale of the APCO decision.

Within the mandatory relocation/retuning rules, however, the Commission must ensure that EA licensees are required to cooperate and share in the costs of retuning an overlapping incumbent system. The Commission concluded that incumbents should be permitted to demand, at any time (either during the voluntary or mandatory relocation period), a joint negotiation with all of the EA licensees intending to relocate that incumbent.^{22/} This requirement expressly recognizes the necessity of coordination and cooperation among EA licensees in the relocation process.

This is necessitated by the historical method of licensing SMR systems, wherein a five-channel trunked SMR system was licensed on separate channels spaced 1 MHz apart. Thus, a single five-channel system licensed on the upper 200 channels would operate, for example, on Channels 401, 441, 481, 521 and 561, placing that incumbent's system in each of the three blocks in a single EA.^{23/} Further, if an incumbent is operating an integrated system, i.e., more than one base station, the incumbent's system could include base stations located in adjacent EAs. In this example, the relocation of an integrated system, operating on the

^{22/} *Id.* at para. 78.

^{23/} Under the Commission's December 15 Order, the three EA blocks will be (1) channels 401-420; (2) 421-480; and (3) 481-600. As another example, a typical 20-channel SMR system could be licensed on the following four five-channel groups: 414, 420, 425, 440, 454, 460, 465, 480, 494, 500, 505, 520, 534, 540, 545, 560, 574, 580, 585 and 600. Again, the incumbent's system would include channels in each of the three EA licensed blocks.

above-listed five channels, could involve cooperation by up to six EA licensees.24/

To meet the Commission's requirement that an incumbent licensee's entire "system" be retuned, therefore, relocation/retuning will require the cooperation of all affected EA licensees. The proposed cost-sharing rules are a good first step toward this objective; the Commission must take further action to ensure that one EA licensee is not able to forestall or delay another EA licensee's retuning/relocation plans.

There may be instances, for example, in which one of the EA licensees cannot or does not want to retune incumbents in its block. Suppose, for example, Licensee A, the 20-channel block EA licensee, is not interested in retuning the channels of an incumbent within its channel block.25/ On the other hand, Licensee B, the 60-channel block licensee, and Licensee C, the 120-channel block licensee in the same EA, want to retune that same incumbent system in their blocks. If Licensee A cannot or will not relocate the incumbent, Licensees B and C should be free to relocate the incumbent by offering the incumbent comparable facilities without the cooperation of Licensee A. For example, Licensees B and C may be able to offer the incumbent comparable

24/ The three EA licensees in EA-1 and the three EA licensees in EA-2. Depending on the channels assigned to a particular incumbent, there could be any number of variations on this example, requiring the cooperation of one or more of the EA licensees in adjoining EAs.

25/ Or perhaps the 20-channel block licensee does not have lower 80 and 150 channels suitable for retuning that particular incumbent.

facilities by retuning only four of the five channels to the lower 80 and/or 150, thereby leaving one channel in Licensee A's block in the upper 200 as part of the retuned system.^{26/}

Another way around Licensee A's reluctance to relocate the incumbent is for Licensees B and C to provide the incumbent one of their channels in the lower 80 or the 150 to account for the channel in Licensee A's block. This swap would result in Licensee B or C (or a partnership or joint venture including the two) becoming the incumbent on the affected channels in Licensee A's block. Licensees B/C "step into the shoes" of the incumbent that it relocated, thus becoming an incumbent operator in Licensee A's block, subject to all of the incumbent rights and obligations available thereto. Licensee A, on the other hand, if it subsequently decides to retune its incumbents, would be responsible for paying all of the costs necessary to do so, including the fact that remaining incumbents can demand system-wide retuning.

The rights of the "new" incumbent licensee would be determined, in part, by the actions of Licensee A. If Licensee A had provided timely relocation notice to the original incumbent, Licensee B/C, upon stepping into the incumbent's shoes, would be subject to potential relocation/retuning within the voluntary/mandatory negotiation time periods. If Licensee A had

^{26/} Many SMR systems today operate on channels in both the lower and upper channels. Thus, an incumbent could operate an SMR system using four channels in the lower 80 and/or the 150 and one channel in the upper 200. As long as all of the requirements for "comparable facilities" are met, the incumbent can be relocated.

not provided the incumbent with timely relocation notice, then Licensee B/C would never be subject to relocation/retuning.

In this regard, the Commission should clarify that relocation notice by one EA licensee serves as notice to the incumbent that it could be relocated out of any EA license block on which that particular SMR system is operating -- even those not licensed to the EA licensee providing notice. This is the only logical interpretation of the Commission's rules that (1) all incumbents must be provided relocation notice within 90 days, and (2) an incumbent's entire system must be relocated. If an EA licensee's notice covers only those channels within the EA licensee's block, any other EA licensee could easily block relocation efforts by not providing notice and thereby providing the incumbent a defense to the relocation of part of its system (and, therefore, the entire system).

The Commission should clarify its 90-day notice rule to recognize that a good faith effort to notify all affected incumbents, as reflected in the Commission's licensing database, meets the notice requirement. If an incumbent licensee is not accurately reflected in the database, the EA licensee would not have the means necessary to provide timely notice. Further, proof of an attempt to notify at the address provided in the database should serve as proper notice, *i.e.*, where the incumbent licensee has moved and has not provided the new address to the Commission, the EA licensee should not be required to attempt to track the incumbent.

Once the Notice is provided, the Commission has proposed a one-year voluntary negotiation period followed by a two-year mandatory negotiation period.^{27/} It is in the public interest to achieve rapid clearing of incumbents from the EA blocks to permit EA licensees exclusive use of contiguous spectrum. It is equally in the public interest to minimize the time during which incumbents will experience uncertainty concerning relocation/retuning, thereby minimizing business plan disruption. Accordingly, the Commission should reduce the mandatory negotiation period from two years to one year. The relocation process for SMRs will be far less complicated than that faced by PCS licensees and microwave incumbents. A two-year window for mandatory relocation negotiations provides opportunities to delay the introduction of new services. A one-year voluntary negotiation period, followed by a one-year mandatory negotiation period would provide adequate time and hasten the transition to regulatory parity among all CMRS providers.

C. POST-LICENSING OPERATIONS

1. Incumbent's Rights

In the First R&O, the Commission states that it will permit incumbent licensees to "convert their current site-by-site licenses to a single license authorizing operations throughout the incumbents' contiguous and overlapping service area contours (40 dBu) of its constructed multiple sites."^{28/} Nextel supports

^{27/} First R&O at paras. 77-79.

^{28/} *Id.* at para. 88.

modifying this process to ensure that the EA licensee on the affected channels has an opportunity to challenge or oppose such requests. Given the co-channel relationship that will exist between incumbents and the EA licensee on their channels, the Commission should permit the EA licensee to intervene, file comments, and/or support or oppose the incumbent's request. This would help to prevent spurious or fake requests to obtain a single license -- carrying with it wider-area incumbent protection -- for unaffiliated incumbent systems. Given that incumbent rights are at the "expense" of the EA licensee, this approach is reasonable to enable the EA licensee to protect its expectancy interests.

Nextel supports the Commission's proposal to allow incumbents to modify their systems within their 22 dBu interference contour.^{29/} This will permit necessary minor incumbent system modifications without impacting the EA licensee's use of the spectrum. The Commission should clarify, however, that this rule does not apply to an "aggregate" 22 dBu contour of all the licensee's stations. For example, if an incumbent is operating on more than one station within the geographic area, it should not be allowed to relicense a channel from one station to a site inside the 22 dBu contour of another station if that channel is not licensed at both sites. However, an incumbent should be allowed to relicense a channel throughout the composite 22 dBu contour of all stations on which that channel is licensed in the geographic area.

^{29/} *Id.* at para. 86.

Minor modifications, in other words, should only be permitted on a channel-by-channel basis.

2. EA Licensees' Obligations

The Commission's five-year construction requirement and the interim coverage requirements are appropriate for wide-area 800 MHz SMR system buildout on the upper 200 channels. These requirements, coupled with the Commission's decision to require use of at least 50% of the licensed channels, will ensure that EA licensees expeditiously build out SMR systems throughout their EAs rather than building out only a limited number of channels that might reach a significant portion of the population.

New grants of extended implementation authority are no longer necessary in light of the Commission's decision to license SMRs on a geographic-area basis.^{30/} The Commission, therefore, properly dismissed all pending extended implementation requests, including those of Chadmoore Communications, Inc. and PCC Management Corp. Both of these applicants can now file for an EA license(s) and participate in the upcoming auctions.

Although agreeing with the Commission's decision to eliminate future extended implementation authority, Nextel requests clarification on the Commission's treatment of existing grants. The Commission stated that it will permit a continuation of such authority if the licensee can show that it is warranted and in the public interest.^{31/} Within 90 days of the effective date of the

^{30/} *Id.* at para. 110.

^{31/} *Id.* at para. 111.

First R&O, a licensee must make this showing.^{32/} Nextel, therefore, requests further delineation of the evidence required to show that continued extended implementation is "warranted and furthers the public interest."^{33/}

Finally, Nextel voices its support for the Commission's decision to apply its emission mask requirements only at the border of the EA license or on those interior channels adjacent to an incumbent. This conclusion is sensible, in light of the EA-wide licensing, and it will provide SMR licensees more flexibility in their operations. Moreover, as the Commission pointed out and as Nextel fully agrees, this emission mask rule will "facilitate dual mode SMR/cellular operation. . .", thereby enhancing the spectrum's usefulness and increasing its value to potential applicants.^{34/}

III. CONCLUSION

With the recent adoption of the Telecommunications Act of 1996, the on-going evolution of the telecommunications industry, the continuing improvements in technology, and the every-increasing competitiveness among telecommunications service providers, this First R&O evidences the Commission's ability to act as a proponent of competition. The rules adopted in the First R&O create a regulatory framework within which SMRs can obtain spectrum on a basis that is similar to cellular and PCS. SMRs can implement new,

^{32/} *Id.*

^{33/} *Id.* For example, would a mere claim of potential competition to other CMRS providers be sufficient to justify the extended implementation authority?

^{34/} *Id.* at para. 101.

broadband technologies and provide new, enhanced mobile telecommunications services to effectively compete with other CMRS providers. All of these results not only address the intent of Congress in the Budget Act, but they also benefit the public by promoting competition among service providers who will now have the incentive to offer new, more advanced, competitively-priced services.

The Commission's objectives in this proceeding were monumental; its efforts to achieve them have been Herculean; and its resulting decisions are fair, fully-supported by the record, and in the public interest. For these reasons, Nextel supports the Commission's decisions in the First R&O and seeks limited reconsideration and clarification to the extent discussed herein.

Respectfully submitted,

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Dated: March 18, 1996

CERTIFICATE OF SERVICE

I, Rochelle L. Pearson, hereby certify that on this 18th day of March 1996, I caused a copy of the attached Petition for Partial Reconsideration and Clarification of Nextel Communications, Inc. to be served by hand delivery or first-class mail, postage prepaid to the following:

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